NEED FOR A CLEAR DELINEATION OF U.S. ECONOMIC AS WELL AS SECURITY INTERESTS AROUND THE WORLD

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TUESDAY, APRIL 27, 1982

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 10:05 a.m., in room 5110, Dirksen Senate Office Building, Hon. William Proxmire (member of the committee) presiding.

Present: Senator Proxmire and Representative Richmond.

Also present: Richard F. Kaufman, assistant director-general counsel; and Chris Frenze, professional staff member.

OPENING STATEMENT OF SENATOR PROXMIRE, PRESIDING

Senator PROXMIRE. The committee will come to order.

We are greatly honored to welcome before us one of our most distinguished citizens, Gen. Maxwell D. Taylor. General Taylor was Chairman of the Joint Chiefs of Staff from 1962 to 1964. He then served as U.S. Ambassador to Vietnam and as Special Counselor to the President during the administration of Lyndon Johnson.

General Taylor is a war hero and he served with distinction during World War II and in numerous important posts here and abroad during a lengthy and rich career. He is also an author of several books and numerous articles and he continues to remain active as a contributor to the Washington Post.

One of the most interesting things about the general is that after a lifetime of action, he is devoting his remarkable energy to thinking and writing and that he remains an important force in the public dialog over defense policy.

This morning we will explore new ideas for answering the question, "How much defense spending is enough?"

Among his many accomplishments, General Taylor appears to have coined the phrase, "How much is enough?" Before answering that question, we need to have a clear idea of our international security and economic interests, the protection of which our defense program is intended.

I'd like to read very briefly from General Taylor's book, "The Uncertain Trumpet," published in 1959, because it defines an issue that the Congress wrestles with each year, and especially this year. General Taylor wrote:

> Another set of basic issues which has to be decided concern the required size and composition of the so-called functional forces. How much of these forces

is enough? To this day, there are no approved goals for the size and composition of the functional forces. Thus, the Department of Defense builds the defense structure of the nation without blueprints, design, design models or agreed factors of safety. It will never be possible for the JCS to produce an agreed tabulation of the forces needed for our security without first settling the basic question of how much is enough in the various operational categories. These yardsticks of sufficiency are the building blocks necessary to provide a solid foundation for defense planning.

General, I read your prepared statement. I find in it a sweeping criticism of the way military policy is dealt with today and the most far-reaching proposals for fundamental reform. The entire Nation is in the process of reexamining the defense program. The nuclear freeze movement is one aspect of this. The discussions in Congress over the level of defense spending is another. The existence of the military reform caucus in Congress is yet another.

I hope that your views will reach a wide audience and I'll do my best to circulate them among my colleagues because they are provocative and significant.

General, if you will present your statement, we will then have questions for you.

STATEMENT OF GEN. MAXWELL D. TAYLOR (RETIRED), FORMER CHAIRMAN, JOINT CHIEFS OF STAFF

General TAYLOR. Thank you, Senator Proxmire.

I am very happy to be invited to appear before your committee to discuss with you a matter of great importance, both to Congress and to the executive branch; namely, the need for both parties to appraise the defense budget in terms of its contribution to the readiness of the Armed Forces to perform their most likely strategic tasks. Such an appraisal would give the congressional committees with responsibility for the Armed Forces a far better insight into the legitimate needs of the military establishment in providing security against the most urgent threats to our national interests.

In this context, an urgent threat is one that has a high probability of occurrence, a high-damage potential if it occurs, or both. For the Department of Defense, such an approach to the budget would provide a much firmer basis for rational and convincing defense of military needs than has been possible under past methods.

Let me remind the committee of what those past methods have been. The Pentagon officials arrive on the Hill laden with data to defend their budget by means of a line-by-line justification of the major programs of the military services. Their presentation and the ensuing cross-examination by committee members usually focus on the big ticket items, particularly the new weapons projects which make the headlines and attract public attention. Their arguments may be expected to take one or more of the following courses. The funds they request are needed:

(*a*) As an annual payment on the multiyear program previously approved by the Congress.

(*b*) To replace a weapons system considered to have outlived its usefulness, for example, the replacement of the B–52 bomber by the B–1.

(*c*) To provide more or better weapons than the corresponding ones of the Soviet Union, for example, the MX missile, the M–1 tank and many other systems.

(*d*) To exploit a scientific breakthrough that offers the promise of something completely new in warfare, for example, space laser weapons.

In such a line-item approach, there is little, if any, consideration given to how the weapon, aircraft, or ship under discussion fits into the integrated structure of the Armed Forces or how it contributes to these forces in carrying out the strategic tasks which may be assigned them.

Hence, there is no way for Congress to know whether the budget is adequate, excessive, or insufficient to meet the needs of task readiness, although this latter is the true measure of military adequacy.

The procedure that I propose to remedy these defects would have an important role for both the National Command Authority, consisting of the President, the Secretary of Defense and their principal institutional advisers, the National Security Council and the Joint Chiefs of Staff, and for the congressional committees responsible for the Armed Forces and their budget.

The first step would be for Congress to require from the NCA, in extension or possibly in replacement of the usual DOD posture statement, a classified report setting forth the goals being pursued in foreign policy, the threats and anticipated opposition thereto that may require the threat or the use of military force and the outline of a military policy that will generate and maintain these forces. It would include an estimate of the strategic tasks for which the Armed Forces should be prepared and the size, composition, and budget needs of the forces deemed adequate for these tasks.

Upon receiving this report, the congressional committees would take over. They would examine the NCA report for the validity of its facts, figures, and assumptions relating to foreign and military policy, the urgency of the threats postulated and the reasons for the strategic tasks assigned to the Armed Forces and the methods used for determining the strength deemed requisite for them.

Since the size of the budget will depend largely upon the strategic tasks and the level of task readiness required by them, let me digress to illustrate how they would exercise this influence. The threats and tasks I shall assume for purposes of illustration are probably quite different from those the administration might choose.

The following are the four major threats for which I consider the Armed Forces should be prepared, convinced as I am that forces with these capabilities would be able to deal with contingencies arising from lesser threats omitted from the list:

(*a*) The unswerving dedication of the Soviet Union to the overthrow of the capitalist system, particularly of its leader, the United States, and the expansionist political and military policies being pursued to carry it out.

(*b*) The growing fragility of the NATO alliance and the exposure of its European members to Soviet seduction, intimidation, or military attack.

(*c*) The chronic instability of the Middle East-Persian Gulf region, a condition which endangers oil sources vital to the West, invites a renewal of age-old hostilities between neighboring states, and offers attractive opportunities for Soviet intervention, political or military.

(*d*) The widespread turbulence to be anticipated in other Third World countries from the consequences of overpopulation and resources scarcities particularly dangerous to the United States when it impedes trade with essential markets.

To cope with such threats, at least in their initial state, a properly conceived military policy might be expected to assign to the Armed Forces the following six strategic tasks:

(*a*) The protection of the North America-Caribbean region. A task of this dimension would require division into a number of quite different subtasks such as the following: (1) The air-sea defense of North America; (2) Cooperation with Latin American nations in maintaining peace and order in the Caribbean; (3) Assurance of the continuous operation of the Panama Canal; (4) Maintenance of uninterrupted trade with hemispheric trading partners; (5) Protection of Alaskan oil and its routes to U.S. markets; and (6) Prevention of illegal immigration into the United States.

Military planners would need political guidance as to the priorities in resources and readiness to accord to each of these subtasks.

(*b*) The deterrence of nuclear war with the Soviets.

This task would require the maintenance of ready survivable retaliatory forces with well-protected command, control, and communication systems and a destruction potential sufficient to assure enemy damage at a desired level. Subtasks would be assigned to the Strategic Air Command, the Aerospace Defense Command, and the appropriate naval commanders controlling strategic nuclear weapons.

(*c*) Fulfillment of treaty obligations to principal allies. And to this, at least three subtasks: (1) The maintenance of presently deployed forces in Northeast Asia with a combat sustainability of 90 days; (2) same for forces deployed in NATO. The latter would be prepared to use tactical nuclear weapons if and as authorized; and (3) same as item (2) above, plus a planned reinforcement of not to exceed eight divisions from the United States.

(*d*) Maintenance of a military presence in the Middle East-Persian Gulf region capable of one or more of the following subtasks in ascending order: (1) Showing the flag intermittently; (2) conducting a trip-wire defense if attacked; and (3) serving as a spearhead force to lead the way for a major expedition from the United States.

(*e*) Maintenance of strategic reserves in or near the United States to deal with minor contingencies, particularly those which threaten our trade with essential Third World markets.

(*f*) Naval forces capable of providing the necessary sea control and maritime transport to support the foregoing tasks.

Obviously, if one added up the forces necessary to perform concurrently all these tasks and subtasks plus the reserves of supply, equipment, and manpower necessary to give the task forces the appropriate readiness, the requirement in men, money, and material would likely far exceed the estimated cost of the Reagan 5-year program now under critical congressional review. However, it could be brought within the range of budget feasibility by establishing a sys-

tem of priorities based upon the urgency and destructiveness of the threats to be forestalled and the production capabilities of the defense industry.

There would be much for Congressmen to discuss in this foregoing assignment of tasks. I would urge close attention to the readiness level which is required of each of the various task forces, bearing in mind that, as used here, task readiness implies not only the combat-readiness of the force itself, but also of the air-sea lift to transport it to its destination overseas and the replacements in supplies, equipment, and trained manpower necessary to sustain it in combat. Thus defined, a high level of readiness is very expensive and should be required only for very good reasons.

After studying the NCA report thoroughly and interrogating the Pentagon spokesmen along the lines suggested above, an appropriations committee should be well prepared to undertake a line-by-line examination of specific controversial programs such as the MX missile, the Navy supercarriers, the Army M–1 tank, and the Marine amphibious requirements. The strategic review that has preceded should prompt questions about how these programs contribute to readiness in carrying out one or more of the strategic tasks and whether this contribution is sufficient to justify the cost.

In closing, let me summarize the gains which I hope would result from adoption of the procedure which I am recommending:

(*a*) It would oblige both the executive and the legislative branches to think in strategic terms as they undertake the formulation and eventually the approval of the military budget. In particular, it would compel the President and his advisers to be far more explicit than in the past regarding the goals and means of the military policy that expect to pursue and its linkage to an overriding national policy.

(*b*) In taking task readiness as the primary measure of the adequacy of our forces, strategic and conventional, we would escape the numbers fallacy that equates military adequacy to parity with the Soviets in numbers, weapons, and systems. Thereby, we would have eliminated the principal inducement to engaging in an open-minded arms race with the Soviets conducted under rules made in Moscow.

(*c*) The definition adopted for task readiness—the simultaneous readiness of all supporting elements necessary to move a ready task force from the United States to a foreign battlefield—obliges a consideration of geopolitical and logistical factors generally ignored in evaluating our global military power.

An appreciation of the restraints imposed by such factors upon the reach of our military arm should moderate any unwise enthusiasm for waging multiple simultaneous conflicts or for seeking global superiority over the Russians, unqualified as to time, place, or duration. It should also stimulate a review of our overly numerous political commitments, many reaching years into the past, which may call for military support with little warning.

(*d*) The decision to measure the urgency of a threat by weighing both its probability and its damage potential should raise questions as to the wisdom of giving priority to the acquisition of additional strategic weapons, a priority over the readiness of existing conventional forces. We may reasonably hope never to use the former—that

is, strategic weapons—whereas, we are unhappily sure of some time using the latter; possibly tomorrow.

In closing, you may well ask how certain am I of achieving these gains. I can only answer that even if the foregoing gains anticipated from my proposal were only half realized, I am convinced that it would still be worth trying.

Thank you, Senator.

Senator PROXMIRE. Well, thank you, General, very, very much. I think that this is a most useful presentation. And frankly, after having spent 24½ years here in the Senate, I have been puzzled as to why we have not been able to develop an overall justification in terms of our needs, our military needs, for our defense when we discuss whether we will spend billions of dollars on a weapons system or not, or whether we should increase our manpower levels or whatever.

And I think that your presentation here this morning is most useful. You would base the operation, as I understand it, of the Armed Services Committee and the Appropriations Committee on a National Command Authority study and report which would indicate what our priorities should be and where we ought to put the limited resources we have.

And it's especially timely now, when we have a very, very serious debate in the Congress about what we're going to do about the collosal deficit we face, whether we can cut military spending, how much we can cut military spending, how much the reductions, if we can achieve any of them, the military spending below the President's request, can contribute to reducing the deficit, which is such a very serious economic problem for our country today.

Now you say that there is no way under the present procedures for the Congress to know whether the defense budget is adequate, excessive, or insufficient. Now that's a pretty serious conclusion because it means that we basically don't know what we're doing when we vote to approve, reduce, or increase the budget.

Will you explain how you reach your conclusion?

General TAYLOR. I would say, sir, that the statement is true in this somewhat limited sense: That if you accept as the standard for adequacy the one I recommend; namely, the readiness of our forces for a certain strategic task—it's quite true, unhappily.

On the other hand, having sat through many past budgets, I, too, have committed the nonfeasance of never insisting on some of the things that I'm stressing today. We have normally gone through, as I suggested at the start, simply following forward each year more or less irresistible forces representing decisions made in the past, long-term programs, which commit a great deal of the future budgets more or less beyond present control.

So, indeed, we have met certain standards in the past, but we have taken the wrong stand.

Senator PROXMIRE. Now you were Chairman of the Joint Chiefs of Staff in both the Kennedy and Johnson administrations, I believe. Were you conscious at that time of the lack of an overall strategic report of the kind that you say we need now? Were you conscious of the fact that you were kind of guessing and pushing ahead on the basis of momentum and not on the basis of a coherent, comprehensive program?

General TAYLOR. I would say that I was more aware of it in the Eisenhower administration, where for 4 years I battled with massive retaliation. However, as Chairman, I was Chairman only about 2 years and there, the problems of the Cuban missile crisis, the growing problem in Vietnam, I must say, absorbed most of my time. Had I been stopped and asked in the street, are we doing better than we did under the Eisenhower administration, I think I would have said: "No; we're not." But for the moment, we've got some very hot things on the front of the stove that doesn't permit time to reflect on what we need 5 to 10 years from now.

Senator PROXMIRE. Now as I understand your argument, you're saying that the political leadership is not providing the kind of clearcut decisions about foreign and military policy to guide the military planners in the Pentagon when they draft the defense budget; is that correct?

General TAYLOR. That is correct, sir. I might say, by political leaders, I have in mind the National Command Authority which I referred to. In other words, the President and his Secretary of Defense. There has been no shortage of prose written on the subject, sometimes thick books on the subject. But they have been so general, they have not really provided the kind of guidance that helps the war planner who is going to design forces.

Senator PROXMIRE. And you feel quite positive that there has been not much change since you were head of the Joint Chiefs?

General TAYLOR. I gather not. Certainly, the self-criticism being made right today by some of the members of the Joint Chiefs rather echos what I was saying 20 years ago.

Senator PROXMIRE. Well, isn't it true, then, that the military is also unable to know whether the defense budget is adequate, excessive, or insufficient because of the lack of a definition of foreign and military policy?

General TAYLOR. Again, certainly the Chiefs don't know it in the terms that I am proposing. They simply know it in the conventional terms of how closely the budget coincides with the funds requested by the Department of Defense.

Senator PROXMIRE. Well, then, this is really a jarring conclusion because all of us, of course, think of the President of the United States as the Commander in Chief of the Army, Navy, and Air Force. Isn't it true that there's no way under the present procedures for even the President, even the President, to know whether the defense budget is adequate, excessive, or insufficient?

General TAYLOR. Well, I can say in defending these gentlemen involved, they have never looked at the perspective from the angle which I'm suggesting, through no lack of concern and effort on their part, but simply, we use wrong standards.

Again, I would not suggest that individuals have not shared the views I have, but none of the institutions per se; for example, the Joint Chiefs per se have never recorded themselves in the way that I'm talking, so far as I know.

Senator PROXMIRE. Now there's the feeling, I think, on the part of some of us, and you can help us greatly in this because you have been privy, of course, to the most heavily classified information, that perhaps the President knows and perhaps the Joint Chiefs know,

but they don't share with the Congress, or certainly with the press or the public, that knowledge because they don't want to tip their hand to the other side.

I can recall, as I'm sure you can, at the time of Korea, when Secretary of State Acheson indicated that Korea was outside our defense perimeter. And the feeling on the part of many people was that he made a terrible strategic blunder and, in effect, invited the Chinese and North Koreans to move because they were told that it was beyond the area of what we would defend.

Isn't there a possibility under these circumstances that if we have the kind of report that you propose, and indeed, you say that it should be classified, but if you have the kind of report that you propose and we debate it in the Congress and discuss it and consider it in the Appropriations Committees and so forth, that this would make our strategic position clear to a potential enemy and invite action on their part, which, by having an ambiguous, if somewhat confused, military policy, we might deter it?

General TAYLOR. There is certainly a possible danger there, but I don't think it's necessary. If, indeed, the discussion that I suggest is in one report, is really, in terms of time, sequentially several reports, several discussions. And the first is an agreement on goals of foreign and military policy. That should be taken care of first, and a certain amount of legitimate secrecy would be involved.

When you get down to what you need to judge, the essentiality of the military request for budgetary purposes, I don't think that that would be a factor, particularly. If necessary, you would have to have some closed sessions.

Senator PROXMIRE. You're saying, if I understand you correctly, that the political leadership is not providing the clear-cut military policies necessary for the Pentagon to do intelligent planning. Are you certain that the kind of explicit policy guidance you advocate doesn't exist in any of the classified documents not made public?

General TAYLOR. I have no reason to believe that's the case, sir. I had access to all the guidance documents for many years and I never saw guidance that I felt was essential. And that's been a recurrent complaint of the Joint Chiefs as long as there has been a set of Joint Chiefs.

Senator PROXMIRE. Now maybe this would help illustrate part of the problem. In your statement, you say: "The latter"—meaning our NATO forces—"would be prepared to use tactical nuclear weapons if and as authorized."

Now that's the flexible response strategy that we've had since President Eisenhower. That's been challenged recently by four very distinguished experts, including Secretary McNamara and George Kennan and others.

Do you feel, perhaps, that this might illustrate what you're proposing? Secretary Haig indicated that if we abandon the possible first use of nuclear weapons, that we would have to, he said, triple our conventional forces in Europe and reinstitute the draft. Now that may be an exaggeration or it may not, but this illustrates to me that if we follow such a policy, that it would have a profound effect on just exactly the kind of thing that you're talking about here. We would then have to consider our priorities and the kind of expenditures that would be

required to defend Europe under those circumstances. Undoubtedly, it would require a far greater conventional investment. But it's an option that we might choose to follow.

The report that you suggest here, the command report, would be very instructive in indicating to Congress, if the President and the Congress chose to adopt that option and renounce the first use of nuclear weapons, what the cost would be. Is that correct?

General TAYLOR. I was very much interested in the article by the "four wise men," all of whom are close friends of mine, some close associates. I responded about a week ago in the Post indicating my opposition to their positions, generally on these grounds—that certainly, the possession of these weapons adds to deterrence. To take them away gives us a certain amount of deterrence. The only way that the authors of this paper propose to rectify it is by increasing, very importantly, the conventional forces, something that we have always tried to do. For 30 years we've been trying to goad our allies into doing what we think is sufficient. We have not succeeded and in the climate of this period, I can see no reason to hope for that possibility in the future.

Senator PROXMIRE. Are you swayed at all by the colossal change since 1962 and 1964, when you were head of the Joint Chiefs, in the enormous nuclear power that both sides now have? I was looking at a chart just a short time ago—there are 55,000 nuclear weapons in the possession of the United States and the Soviet Union. Such an ability to wage a nuclear war and perhaps to end our species on Earth. It's quite different than it was at that time, although at that time, there was enormous power on both sides. But the Soviet Union, the charts that I have seen, and perhaps you can correct me on this, had less than 100 nuclear weapons and we had a couple of thousand.

But the quantity has changed so dramatically since that time that we have a different kind of a situation, do we not? So that the triggering of a nuclear war, and I think that almost everybody would agree that there would be at least an enormous danger that using nuclear weapons in our defense in Europe could easily lead to an absolute total exchange on both sides.

Under those circumstances, isn't there a stronger case, a far stronger case, for denouncing the first use?

General TAYLOR. I would certainly agree that the dangers involved in a first use of tactical—we're talking about tactical nuclear, for the most part.

Senator PROXMIRE. Yes.

General TAYLOR. It's much greater now than it was, as you say, 10 or 20 years ago. But I still would retain the fact, the value of the uncertainty in the minds of the Soviet Union as to what and when we're going to use it.

For example, if we say that we will not have a first-use of nuclear weapons in Europe, what does that mean? That means that the Soviet commander who is going to spearhead the attack of a nuclear conventional attack, he can mass for that attack assured that he will not be obliterated suddenly by a nuclear weapon. It gives him an enormous freedom of decision for conventional war to know that you're not going to get that particular threat.

So I would just say that even though the probability, the plausibility, is less than in the past, we must still retain the uncertainty.

Senator PROXMIRE. Assuming your approach was adopted, how would the composition of the forces in the budget be different than it is today? Would we likely be spending more or less than in the present budget?

General TAYLOR. Excuse me, sir. I missed that.

Senator PROXMIRE. Would we be spending more or less than the present budget if we had followed your advice on this, in your budget?

General TAYLOR. I should have confessed at the outset that I am a hawk and I am tremendously encouraged by the willingness of the country to recognize the backwardness of our military establishment and the need to do something about it.

So with that background, I will certainly say that I am not here trying to save money as an objective. I have worried just about as much about it in these halcyon days when money seems available that we're going to spend it for the wrong things. I'm afraid we are.

I think my program would at least guarantee, to the extent that the human future can actually be guaranteed, less danger of buying the wrong things. I think by thinking through the justification, the relationship between the MX and our defense of North America or the prevention of strategic war, that in those terms, you could see how it stands in relation to alternative ways of doing the same thing.

So I am arguing more for effective use of funds, recognizing that it depends on how you make many decisions along the line, whether you're saving money or losing it. I'm on your side in saying that we have all the strategic weapons we need now to do anything I can think of under the goals or under the tasks that I would assign the forces.

Senator PROXMIRE. But you are saying also, as I understand it, that whether we spend more than President Reagan has requested or the same, or less, would be a decision that we would make based on this command report. It would be far more rational. It would be related to our determination of whether our priorities should be and what our first obligation, our first and second obligation, perhaps, should be in this strategy.

In other words, if we decided to spend less, we might very well still devote more to our top priority problem. We would know what our priorities were; is that correct?

General TAYLOR. That's a fair statement of my position.

Senator PROXMIRE. General, in the past our defense program has been based on the assumption that we should be prepared to fight either one major war and one minor one, or two major wars and one minor one. Don't such assumptions provide the military with the guidance to do the contingency planning that is required or are they too vague, in your judgment?

General TAYLOR. It never had any effect on any budget that I'm aware of. That was, I always felt, something of a phony, because, first, you don't know what it means. What does it mean, prepared to fight? Fight the first day? Fight for 3 years?

It has no real significance. It was never used, as far as I know, to justify any specific piece of a military budget. In point of fact, we always considered the big war when only one major war was involved, would be with the Soviet Union. But whether it be conventional or

a mixture of conventional and nuclear weapons or all-out nuclear war, that, again, was never in the interpretation.

So when you had a slogan there, the money never went with the slogan.

Senator PROXMIRE. Now do you agree with President Reagan that the Soviets are superior to us in nuclear capabilities?

General TAYLOR. I'm sorry, sir. I have been around Washington a long time, so I am very slippery.

Senator PROXMIRE. You're very what?

General TAYLOR. I'm very slippery. [Laughter.] Namely, what do we mean by "superiority"? Now certainly, they are superior to us in certain types of weapons, in certain megatonnage of weapons. We are ahead of them in certain warheads. But how can you compare those weapons? How do you decide what is sufficiency?

My answer is that sufficiency is the ability to inflict a certain level of damage on the other side. And if he knows you have it and you know you have it, and you have a will to use it, if worse comes to worse, that is deterrence. And when you get the other fellow deterred, and he has you deterred, it's a zero game.

Senator PROXMIRE. Well, then, would you say that there's a rough equivalency, or you have just defined it as a sufficiency, so that it will act as a deterrent and we don't need more? Is that right?

General TAYLOR. Well, I'm saying that I'm quite satisfied with considering both sides sufficient today. But we're trying to undermine our own strength by talking about perceived strength, which means that you have to have the same numbers; whereas, number really has no impact here if you're thinking in terms of destructive effectiveness and know how much is enough in that field.

Senator PROXMIRE. I'll yield to Congressman Richmond.

Representative RICHMOND. Thank you, Senator Proxmire.

General Taylor, I am worried about some other items. I am not nearly as informed and professional about defense as Senator Proxmire, but I look at defense as the average citizen.

The things that bother me, for example, is the poor morale of our personnel, the fact that I hear stories after stories about our Armed Forces personnel being unable to handle the equipment they already have, let alone the equipment they don't have. Their basic illiteracy. Their basic inability to read instructions. The constant stories that we hear about the low morale in the Armed Forces.

It seems to me that before we build more B–1's and more MX missiles, before we do anything further to enhance our nuclear arsenals, it seems to me that we ought to really attend to a couple of basic problems that we have in our defense establishment, No. 1 being the low level of our personnel. The second, which I would like to discuss with you, is the poor state of our industrial backup in the United States.

Can you comment on the personnel item first, General?

General TAYLOR. I understand you are principally concerned with the quality of the military personnel?

Representative RICHMOND. Well, I am particularly concerned about the vast turnover, the fact that when we get personnel into middle management, they then leave and go on to commerical jobs at higher salaries, and the fact that we spend billions of dollars on weapons systems, which they basically are technically unable to handle.

General TAYLOR. Of course, I have been out of the active services for a long time. You have to live with them to have really an authoritative opinion of the capabilities of our enlisted men at the present time. I'm always surprised. I go about the country talking to military commanders. I have no axe to grind. They know my motives are honorable. They say their men are good. They're well trained. They do rotate, as you suggest, too frequently. But that can't be prevented. It's largely an economic question. If you have great skills or you learn valuable skills in the service and times are hard and you have the opportunity of improving yourself outside, you're not going to reenlist.

I would say this, however, that you Congressmen can solve most of this by resuming the draft. You cannot fight a war, you cannot conduct military operations without the draft. Now that should be written in big letters some place.

Now you can say in time of peace, well, we're not going to have a war. But all of these preparations that we've been discussing this morning presupposes a constant thought about the unhappy transition to war which may come, and won't come if we're really ready for it.

Representative RICHMOND. In other words, what you're saying is, basically, this Nation had better get back to the draft.

General TAYLOR. You betcha. Of all of the things to prove our determination and to remove any question about how we will react under certain conditions, that's the most direct answer I can think of.

Representative RICHMOND. In other words, the idea of every young person doing a year of service, either in the military service or in some type of voluntary agency.

General TAYLOR. Some combination like that. Now your other point was the question of the defense industry.

Representative RICHMOND. Yes, but General, let me just expand on that first.

General TAYLOR. Yes.

Representative RICHMOND. I'm so disturbed by the fact that more and more we are importing many of our vital materials for our defense establishment.

General TAYLOR. Right, right.

Representative RICHMOND. We are importing ball bearings from Sweden, certain types of steel from Japan. Our own steel-making ability is devastated right now. We only have 1 modern steel mill in the entire United States against 16 in Japan, alone. We can't smelt our own copper; we have to ship the copper ore to Japan to be smelted.

We are rapidly becoming a second-rate industrial power. How can you maintain a first-rate defense establishment when you have a second-rate industrial backup, when you can't build ships, you can't manufacture steel efficiently, and you can't do all of the basic industrial operations necessary to maintain a defense establishment?

General TAYLOR. Well, I'm certainly glad to hear your comments with regard to the seriousness of our dependence on imports from a national security point of view, although I'd say certainly from an economic point of view also because the strength of our economy is the strength of our Armed Forces, directly or indirectly.

I have for some time been preaching this point that access to certain markets is so essential to us, we should have it and it is, indeed, in my

statement, that we should recognize the need for closely knit policies for establishing relations with these essential markets, economically and politically, and then having our military force available, if worse comes to worse, to stabilize the area in case we're threatened by war or attack.

An essential trading partner essentially is an ally, whether we call him that or not, and a very valuable one. And we have never given enough concern to that. We have never even decided really which are the essential markets, so that all agencies of Government can realize that there is a special national economic interest in these various places, and adjust their policies accordingly.

Representative RICHMOND. General, would you support a new Reconstruction Finance Corporation to modernize the basic industries in the United States—because I think we must recognize that there's no way that basic industry in the United States is going to modernize itself, unless we virtually force it to do it—would you support some type of vehicle like the RFC that was so effective years ago?

General TAYLOR. I'm sorry, I missed that.

Representative RICHMOND. The Reconstruction Finance Corporation that did a great deal to modernize American industry after the Depression; RFC.

In other words, General, right now in this Nation, we flatter ourselves that we are the greatest industrial power in the world, which next year will not be true. Japan will be the greatest industrial power next year. We can't even build a ship. Most ships right now are being built in Japan and Korea. As I said, we don't have a modern steel mill in the United States—well, only one of them. We are just falling by the wayside.

Now I think it's going to take a vast amount of government persuasion and intervention to get basic industry to modernize itself, because, basically, it's a long-term investment which probably doesn't pay off as fast as, for example, United States Steel buying Marathon Oil, where they could probably get their money back in 5 years as against United States Steel taking that same $4 billion and modernizing United States Steel, which would probably have taken 15 or 20 years to get their money back. Since these corporations are owned by stockholders, they really feel that they have to earn more money. I don't think that any of these basic industries are thinking of national defense.

General TAYLOR. I am not qualified to comment on many of the important points that you raised in your discussion. I would say as a practical matter of defense spending that we have made it very hard to have a defense industry that has stability because our own programs have not been stable; hence, our procurement has not been stable. It concerns me now that we're running out and trying to put the pressure so heavily on industry to build them up in full knowledge that sooner or later, that's going to collapse and there will be a temporary demand, urgent and important though it may be for the next 2 or 3 years.

So if you gentlemen can do anything to stabilize our military policy—hence, our procurement policy, hence, our industrial impact of national security, it will go a long way to help national security.

Representative RICHMOND. Thank you, General. Thank you, Senator.

Senator PROXMIRE. General, I know that you're a military man, but I just can't buy the notion that we improve the morale of our military forces by reinstituting the draft in peacetime. I served in the peacetime Army—not as a draftee, but as a volunteer back in March 1941, due to Pearl Harbor, and the morale was terrible. That was a society in which there was much greater respect for authority than there is today.

I dread to think the kind of morale and the kind of attitude we'd have if we reinstituted the draft under present circumstances. I think that it would be extraordinarily difficult. I can't understand for the life of me why in peacetime we don't simply pay our people enough. Sure, it costs money, but after all, we can justify, I suppose, drafting people into defense work or drafting people into the post office or drafting people to do almost anything if we wanted to save money in the process. But it would seem to me that if you want a strong military force, you've got to have people there who want to be there, take pride in it, who want to make a career of it, who believe in it, not somebody who comes along and you pull them in by the scruff of the neck and force them to serve for a year or two and then lose them once they get trained.

General TAYLOR. Well, Senator, I have to go back to my statement. You can have perhaps a very fine peacetime force. But the minute the casualty lists start coming in——

Senator PROXMIRE. Oh, yes, I would agree with you. In wartime, you must have a draft.

General TAYLOR. You must be ready for that transition. We need now, the Army needs, oh, 800,000 individuals trained in a reserve pool. We had them a few years ago. Now that is down to, the last time I saw, around 100,000. These replacements I've been talking about you must have ready to go over after the combat starts right away. You'll never get them by a delayed draft.

Furthermore, what worries me, Senator, is the feeling that's been expressed by some of our senior officials that it's something undemocratic, something immoral, about asking a young man to go out and defend his country. That is not the America I grew up in.

Senator PROXMIRE. I would agree with that, but you're not asking a man, you're telling a man under law. Either he is drafted or he goes to jail. You fine him. On the other hand, if you have a voluntary system, you'll get people who come in because they're proud of the military. They should be. It's a great career, as you exemplify.

General TAYLOR. I understand the need of having something other than a voluntary system.

Senator PROXMIRE. OK. Now our NATO forces come under the strategic task you described and fulfillment of treaty obligations to principal allies. Now these forces are becoming controversial because there is a growing belief that our allies should carry a larger share of the burden. From a military standpoint, what function do U.S. forces in Europe serve? Is the force level appropriate to that function and should we be sitting down with our allies to renegotiate our mutual responsibilities?

General TAYLOR. I have over the years grumbled about NATO not carrying their burden, so I certainly share the view of those who complain today. But NATO has never been really a pure-blooded military alliance. It's been a political alliance, largely, and of enormous value as a political alliance to have that group of advanced countries on our side viewing the world in terms of political philosophy more or less the same way, of tremendous value.

Right now, the alliance is trembling more than I can recall in the past. It would be the greatest gift that God could ever give Moscow, if he deals with that un-Christian state, if, indeed, we did something that encouraged the dissolution of NATO at this time.

Hence, I would say that we can't, and shouldn't, tinker with what we've got in NATO. I would be just as quick in saying let's not put anything more in our big stake in NATO, where today about a third of our ground-combat capability is nailed down. NATO has never been defensible and never will be defensible purely by nonnuclear means, by conventional means.

But very fortunately, the Soviets have many reasons not to want to run the risk and take the costs. If they're coming in, if they're invading, why are they coming? They're coming to absorb Western Europe into the Communist bloc and especially to take the industry more or less intact in order to get the economic benefits implied.

If we have NATO forces at least strong enough to put up a fight, that assures them of considerable losses, considerable damage to the loot they want to take out. Also, when they have a much easier, safer way to put the pressure on Europe by means of the Middle East oil that can be seized, I would say the deterrent effect of what we have, imperfect though it is in NATO, is well worth the money.

Senator PROXMIRE. Well, I would agree with that, but it just seems to me that it's just appalling that here we have allies that are, in some cases, richer on a per capita basis than we are. Germany has a higher per capita income than we have. Sweden has a higher per capita income than we have. They're providing such a very much smaller proportion of their gross national product for defense than we are.

NATO has a bigger population, the Western European nations have a bigger population than the Soviet Union, or than the Warsaw Pact, far greater economic resources. They are ahead of them technologically. They are easily capable of providing a much stronger conventional defense than the Soviet Union has and to deter it on that basis.

So why shouldn't we push as hard as we possibly can for them to come in with that kind of a defense? I know it's discouraging. We haven't been able to do it so far. But it seems to me that there are a number of people in Congress, including people like Ted Stevens, who is the chairman of the Defense Appropriations Subcommittee and a fellow who has been a very enthusiastic supporter of the military, who has proposed, as Mike Mansfield did years ago, as you know, to withdraw our troops if our allies don't do more.

General TAYLOR. Well, sir, I agree with most of what you say, except to the point, let's press them as far as we can without really breaking up the alliance on the issue. We have too much of a stake

there. We should really be patient by thinking this thought. We are putting up more money than we think we should, and I think that's correct. They're putting up the battlefield, and that's a hell of a contribution.

Senator PROXMIRE. Well, it's their countries that are being defended. It's their chestnuts that would be the first to go. If we lose, and we'd lose a great deal in having the possibility of communism having those enormous resources, but they lose their country. They lose everything. They lose everything.

So it seems to me that they should contribute at least as much as we do to the defense of Europe.

Does the task that you indicate for the Persian Gulf differ from the administration's view? As I understand it, the administration believes that we ought to be prepared to defend the gulf against Soviet invasion and isn't that your view, too? Aren't they the same?

General TAYLOR. One thing that worries me, Senator, often in terms of what our Government or our senior people are saying. They don't seem to realize the inescapable facts of geography. We ended World War II the greatest military power in the world, and we placed our stakes right up against the Soviet Union, around the perimeter. And for a long time, that was not a factor because we controlled the seas. We had allies at the terminal point where we could get ashore. We could do various things like we did all around the Soviet perimeter for many years.

Those days are gone. Those days are gone. The Persian Gulf, unfortunately, as we all know by this time, just by distance, is very, very hard to get to. Furthermore, it's much nearer the Soviet Union.

Some wise man some years ago said, "A cock, rooster, exerts great influence on his own dung hill." Bear that in mind. Khrushchev forgot that when he came close to our dung hill in Cuba. We're running great risks when we put major stakes up against the Soviets' dung hill.

Senator PROXMIRE. Let me ask you about this, then. Is it correct that under your proposal we would first decide exactly what we wanted the military to be prepared to accomplish in the Persian Gulf, what forces would be required to do so, and how much they would cost; is that right?

General TAYLOR. You'll notice under the subtasks I put in my statement, simply three levels of effort we might consider. First, simply flying the flag. We're doing that, although the Persian Gulf is so shallow, we can't get a very big ship up there. They're not willing to put many flags on big ships in that particular area. But nonetheless, we're doing it and we should.

The next is a tripwire force. That's about the best we're capable of now and for some time because of the lack of any terminal bases in this area. We're going to great pains to get some foothold, but they're all far away. They're not very good. So that the third step, namely, the idea that we can go in with a real expedition and fight the Soviet Union to a final decision on that area is a very dangerous procedure. It's perfectly all right to have it, but let's don't think we can do it under any terms that I can foresee.

Senator PROXMIRE. Well, let me put it this way, then. You say that the fact that in estimating the cost of not only combat readiness, but the cost of transporting forces abroad, that the Persian Gulf is far

away from this country and close to the Soviet Union, it's very expensive for us, and therefore we should consider that. Mobility has been a special concern of all of us because: (a) we never seem to have enough, even though requirements have doubled and tripled in recent years; and (b) because of cost overruns such as in the case of the C–5A.

Is it possible that the cost of mobility can be so high in terms of total resources that particular tasks such as the defense of the Persian Gulf may not be feasible?

General TAYLOR. Well, it's not just a question of cost. Certainly the cost of air transport at strategic distances is bound to be very high. But it's the fact that you cannot send enough supplies by that route, even if you have the aircraft, to maintain forces of any size, firing ammunition, using up fuel, all the things that go with a modern conventional operation. The tonnage is just too great.

And furthermore, we're assuming that we can fly C–5A's all the way over and put them down on a base near the Soviet Union. You can shoot those babies down. We've forgotten that enemy planes can interdict air space. We've never faced enemy control of the air for any long period of time. We forget that it's possible.

Senator PROXMIRE. General, Admiral Rickover testified before this committee a few weeks ago and he said that aircraft carriers would last only a couple of days in a war with the Soviet Union. Now he's a great naval officer. He has, as you know, served this country for 60 years with great distinction. Do you agree with that?

General TAYLOR. I'd rather let a bluecoat admiral say that. I think it's safer and he certainly has a greater expertise in that field. I will put in a comment, though, that I thing we're making a great mistake in considering additional *Nimitz* carriers in this coming budget. We always quote the price of the carriers. We don't quote the price of the carrier plus the aircraft plus the ships, which run around $17 to $19 billion, as I read in the papers.

Senator PROXMIRE. For the whole thing. Now the figures I have are $3½ billion for the carrier, $7½ billion for the planes, and the remainder for the service fleet.

General TAYLOR. Yes, and the planes that are useful for offensive purposes other than the defense of the carrier. It's only about 50 airplanes or something of that sort. And furthermore, you have the vulnerability of the ship itself.

Senator PROXMIRE. Admiral Rickover also testified that it made no sense to match the Soviet submarine for submarine and that we had too much redundancy in our nuclear forces. Now of all the people I could imagine who could speak with authority on the submarine, Admiral Rickover would be No. 1, undoubtedly. Do you agree with Admiral Rickover that it makes no sense to match the Soviets submarine for submarine, that we have too much redundancy?

General TAYLOR. Well, again, I'd leave that to Admiral Rickover, but saying that he's defending my thesis that the numbers fallacy should not be applied as a measure of the adequacy of our forces. I'm quite sure that we don't need exactly the number of submarines or anything else that the Soviets have. I wouldn't know how many we really need by the task force yardstick I proposed.

Senator PROXMIRE. Let me ask you, one of the weapons driving up mobility costs is the M–1 tank. The Air Force wants to buy 50 new

C–5A's because only it is large enough to carry the M–1. Some Army spokesmen argue that we need a smaller aircraft that can carry cargo within the theater of operations rather than across the ocean.

From a military perspective, how important is it to be able to airlift tanks from the United States to an area of potential conflict, such as the Persian Gulf?

General TAYLOR. Well, a tank is a very desirable weapon for ground forces to have, especially if they're in the desert country, which is almost ideal for tanks. I would criticize my own service and take responsibility for it, to some extent. We have never gotten together with the Air Force in time to have the aircraft match the weapon or the reverse. One or the other should be decided.

We didn't do that in the past. We went our own way and then tried to match things up, and that's what we're paying for today.

The answer is, yes, we do need tanks, without describing which ones or how big, for ground use almost any place you're likely to project force. Now how many and how much, I don't know, but we're making the price very high by having the main battle tank one that can't be transported by present aircraft.

Senator PROXMIRE. That's a collosal cost, 50 C–5A's. Your statement suggests that either a "show the flag" policy and you just said a "tripwire" defense might be adequate for the Persian Gulf. What forces would make up a tripwire defense and where would they be stationed?

General TAYLOR. I'm not defending doing it by tripwire. That's one possibility. That would put it up to the Soviets and if they're coming in militarily, they're going to have to run into some American forces. It's like the "thin red line" of heroes that Great Britain used to distribute around the exposed areas of the empire, knowing that the loss of British soldiers would bring in more British soldiers.

So the tripwires have been of utility in the past. It could be in this area. I figure it would have some deterrent effect, probably sufficient, because I'm certainly sure today that the Soviets are not looking for a direct military confrontation with the United States.

Senator PROXMIRE. General, one of the most appealling parts of your proposal today is that it seems to me it would give us a stronger military force at a lower cost. You've already cited the supercarriers as weapon systems that we ought to take a very critical look at. We have enormous escalation in the cost of tanks that have gone from $700,000 a copy to $3 million a copy. We have an explosion in tactical aircraft that has gone up to $30 million for a fighter plane. The vice president of North American Aviation has projected that by the year 2054, if we continue on the present plane, the entire defense budget will buy one plane. It'll be a beauty, but only one plane.

Now how would your proposal give Congress a better way to control the problems of cost overruns and the oversophistication and gold-plating of weapons?

General TAYLOR. Well, there are many ways to attack the issue, no single one being completely effective. The first is to challenge the feasibility of some of the operational needs we're advancing today. The Persian Gulf is an idea example. We should not take it as a military objective or a policy objective, either political or military, to be able to be superior to the Soviet Union in the Persian Gulf.

The good Lord didn't make the world that way for us. We're too far from them. So we should be talking about pulling our interests out of the Persian Gulf, not building them up in the Persian Gulf, insofar as that can be done. That's not easy.

Another device which the military doesn't like, I didn't like, although I proposed it for the Army division, that there be more pooling of high cost equipment which is not needed every day in a military unit. That would, for example, take in the airborne. We have two airborne divisions, one the 82d, one the 101st, my old division, which is now Air Assault, which calls for many, many helicopters, justified largely by the experience in Vietnam, where they were very valuable.

I can well visualize having a pool of the Air Assault equipment available for the two divisions so that they could be simultaneously capable of using that equipment, but not each one having a set of it. I just picked that out because I know the situation. Throughout the Military Establishment, there are many, many cases where pooling could be used as a device entirely satisfactory from a military point of view, as I see it.

Senator PROXMIRE. General, Gen. David Jones called for a forming of the Joint Chiefs of Staff. Without going into the details of his proposal, how important is this problem? Is there a problem? How does it fit into your ideas?

General TAYLOR. Well, in 1949, when I retired, I wrote a book on what is wrong with the Joint Chiefs of Staff, citing the defects I observed in 4 years. Strangely, you would be surprised how many of those are in General Jones' list. Not that he's copied them from me. The fact is that the situation hasn't changed because most of them spring from a weakness of a committee.

If you'll excuse me, Senator, speaking to this committee, all committees are bad. The bigger they are, the worse they are. And to put a committee in the chain of command, as the Joint Chiefs are, to some degree, is not the way to run a military operation.

So that fundamental weakness has been there throughout these years and Jones is just pointing out how it is today. I was discouraged because I had hoped that things had gotten better. I can't see that they have.

Senator PROXMIRE. Now some experts are saying that the Falkland Islands dispute shows that Great Britain devoted too much effort to building up nuclear forces, which are unusable in this crisis, and not enough on conventional forces. As a result, forces which should be available for a NATO contingency are being diverted.

Can you comment on that?

General TAYLOR. Well, the political-military situation in Great Britain is so different from ours, I can't draw analogies that apply directly. This reminds us, how many of us would have thought 2 months from now that the Falkland Islands would be the scene of at least a threatened conventional war; incredible. But we're entering into a period now of scarcities worldwide created largely by the population of the world, which is going up. Conflicts of more kinds are going to break out in the next decade or so we never could think of, which, if, indeed, we feel we might need military force and we don't know how badly our interests might be affected, we'd better have conventional forces.

That's why I've always said minimal strategic forces satisfactory to the requirements of deterrence, and what we have left over, let's put it in our conventional forces.

Senator PROXMIRE. Well, General, I want to thank you very much. You've been a splendid witness. I think you've given us a great deal of information, and I think you've made a most interesting and provocative proposal and I expect to do my best to call this to the attention of other Senators and to see that we give it every consideration.

Thank you so much.

General TAYLOR. Thank you, Senator. It's been a great pleasure.

[Whereupon, at 11:20 a.m., the committee adjourned, subject to the call of the Chair.]

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